UNITED NATIONS STAFF UNION

SCB/1123
30 March 1993

REVIEW OF PENSIONABLE REMUNERATION FOR GENERAL SERVICE AND RELATED CATEGORIES (CURRENT STATUS)

As staff have already been informed, the General Assembly, at its last session, endorsed certain conclusions reached by the International Civil Service Commission (ICSC) on the above issue. They pertain to the percentage of net salary to be grossed up - 56.25%, and the interim adjustment procedure. In practical terms, this will entail an average reduction of 2.35%, to be applied against the first increase in net pay to occur after 1 January 1994.

At its March 1993 session, the ICSC continued its consideration of the issue. In accordance with its earlier conclusions, it concentrated on the developement of a common staff assessment scale applicable to both categories of staff.

While the staff representatives did not participate in the session itself, they maintained informal contacts with members of the Commission, the Commission secretariat as well as the representatives of the administration. They also participated to some extent in an informal working group convened during the session. As a result of their efforts, some improvements in relation to the initial secretariat proposals could be achieved.

In the end, the Commission did approve a methodology for developing a common scale, which will be further considered by the Pension Board and, eventually by the General Assembly. In accordance with the Commission's recommendation, the new scale applicable to both categories would be based on 1996 data and introduced in 1997. This scale will be worked out with full staff participaction. As taxes and exchange rates will change by then, it is impossible to predict what it will look like. An indicative scale based on 1992 data would result in reduction of the order of 4%. For Professionals, this indicative scale would produce minor variations, increases at the lower end and reductions at the upper end.

It should be explained that as the General Assembly has instructed the Commission "to eliminate or significantly reduce the income inversion anomaly", which means the difference betwween the GS and Professional systems, it was in the interest of all staff that this be done to the extent possible by improving the Professional rather than reducing the GS scale.

The Staff Committee will continue to oppose any reductions, and its position is reflected in a letter from the President of CCISUA to the Chairman of the ICSC, which is annexed to this bulletin. When the President meets with the Secretary-General, he will also be expressing to him the deep concern of the staff over the proposed reductions.

STAFF COMMITTEE BULLETIN

CCISUA
CCASIP
CO-ORDINATING COMMITTEE FOR INDEPENDENT STAFF UNIONS AND ASSOCIATIONS OF THE UNITED NATIONS SYSTEM
COMITE DE COORDINATION DES ASSOCIATIONS ET SYNDICATS INDEPENDANTS DU PERSONNEL DU SYSTEME DES NATIONS UNIES

22 March 1993

Dear Mr. Bel Hadj Amor,

CCISUA has just received document CRP. 11, which reflects the conclusions of the Informal Working Group on Pensionable Remuneration of Staff in the General Service and related categories, and we believe you should be aware of our position with regard to this document and the issue of GS and P pensions as a whole.

As you no doubt know, we have never accepted the premise on which the entire Review was launched, namely that differences in the pension systems of the two separate categories of staff constituted an "anomaly" to be eliminated at all costs. In particular, we have demonstrated that the so-called "income inversion" represented, with few exceptions, a theoretical rather than a practical problem.

Last year the Commission adopted, and the General Assembly confirmed, the income replacement approach for calculating pensionable remuneration for General Service staff. The new grossing up percentage of 56.25 as well as the modified interim adjustment procedure, which will apply as of 1994, will already entail an average 2.34 per cent reduction of GS PR in New York and more for other duty stations.

We continue to believe that even such a reduction, coming as it does on top of the reductions already arising from the 1992 staff assessment rates, is untenable. Now we are faced with the prospect of additional losses, which, even though not expected to occur before 1997, are nevertheless very real indeed.

In the days to come, and on the basis of tax data provided by your secretariat, we shall review the parameters and data used as well as the calculations made by the secretariat. CCISUA thinks that there are several technical issues which should continue to be examined. Therefore, during the meeting of IWG it requested that a tripartite (ICSC secretariat/administrations/staff) intersessional working group be convened.

Mr. Bel Hadj Amor
Chairman
International Civil Service Commission

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We are sure that you appreciate the importance of this issue to our constituents and the need to allow for the necessary time to study it adequately. We remain therefore at your disposal for any additional effort to find a solution acceptable to all parties.

Yours sincerely,

F. Siegenthaler

Frederic Siegenthaler
President
CCISUA

PENSION LEVELS IN NEW YORK

Examples at age 60, as of 31 October 1993, with 25 years of service.

MONTHLY

P-5/XIII -	$4,610	without	lump	sum,	OR	$3,070	+ lump	sum
P-4/XV -	4,080	"	"	",		2,720	+ "	"
P-3/XV -	3,450	"	"	",		2,300	+ "	"
G-7/XI -	$2,630	without	lump	sum,	OR	$1,750	+ lump	sum
G-6/XI -	2,350	"	"	",		1,570	+ "	"
G-5/XI -	2,100	"	"	",		1,400	+ "	"
G-4/XI -	1,880	"	"	",		1,250	+ "	"
TC-6/VII-	$2,440	without	lump	sum	OR	$1,620	+ lump	sum
TC-5/VII-	2,260	"	"	",		1,500	+ "	"
TC-4/VII-	2,080	"	"	",		1,390	+ "	"
S-5/IX -	$2,800	without	lump	sum	OR	$1,860	+ lump	sum
S-4/IX -	2,550	"	"	",		1,700	+ "	"
S-3/XI -	2,400	"	"	",		1,600	+ "	"

As this table shows, at least in New York, the so called "income inversion anomaly" does not exist at levels at which staff actually retire.